



The Strategic Plan of the  
Central Bank of Jordan

2020-2022



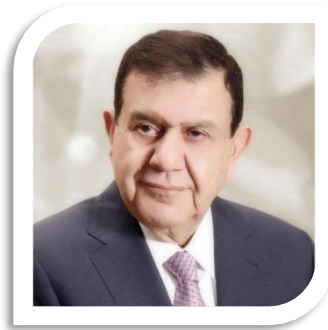
His Majesty King Abdullah II Ibn Al Hussein



His Royal Highness Crown Prince Al Hussein Bin Abdullah







## Foreword

The strategic plan demonstrates the Central Bank of Jordan (CBJ) continuous pursuit to fulfill its vision and goals represented by maintaining monetary and financial stability and supporting economic growth drivers. This is in addition to enhancing the number of programs that seek to increase financial inclusion, protect financial consumers, and support productive and pioneer projects, as well as small and medium-sized enterprises (SMEs), which will increase both investments and exports. The programs also aim to boost economic growth and provide appropriate and productive employment opportunities for Jordan youth to keep consistent with the government's priorities for action for the years 2019-2020 and Jordan 2025 document.

This strategic plan has been drafted to reflect the prominent and crucial role of the CBJ in contributing to achieving the national objectives derived from the government's priorities for action for the years 2019-2020 and the Jordan 2025 document. The role of the CBJ is represented by the management of the monetary policy that seeks to; preserve the stability of both the general price level and the Jordanian Dinar (JOD) exchange rate, provide a suitable structure of interest rates, which helps to create an investment environment that attracts and enhances the economic activity. The CBJ maintains banking and financial stability through microprudential and macroprudential oversight over the financial and banking sector in the Kingdom. Furthermore, the CBJ maintains the soundness and efficiency of the national payment system as well as the security of Jordanian currency.

The strategic plan frames the efforts of the CBJ in increasing financial inclusion and keeping pace with the development in the field of financial technology and regionally leading it. The CBJ has given cybersecurity a paramount consideration to provide the necessary protection for financial technology users and build trust between them and the Digital Financial Services providers (DFS).

The Central Bank of Jordan believes in institutional work's importance through strategic planning to accomplish strategic objectives and durability. CBJ has proper governance, a flexible organizational structure, and efficient human resources, all of which qualify it to optimally draw, achieve, and monitor the accomplishment of its operational objectives, vision, and mission. The strategic plan 2020-2022 is a continuation of the method followed by our institution over the past few years in order to achieve its objectives, thus meeting and fulfilling the national goals and royal visions-hence, helping in inclusive and sustainable economic development and improving the level of well-being.

**The Governor**  
**Dr. Ziad Fariz**

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## LIST OF ABBREVIATIONS

Arab Monetary Fund	AMF
Automated Clearing House	ACH
Business Continuity Plan Management Committee	BCMC
CBJ	Central Bank of Jordan
Digital Financial Services	DFS
Disaster Recovery Plan	DRP
Electronic Cheque Clearing	ECC
Financial Soundness Indicators	FSIs
Financial Technology	FinTech
Global Financial Crisis	DFC
Gross Domestic Product	GDP
Information Technology	IT
Innovative Startups And SMEs Fund	ISSF
Institutional Effectiveness	IE
International Monetary Fund	IMF
ISO	International Organization for Standardization
Jordan Loan Guarantee Corporation	JLGC
Jordanian Dinar	JOD
Key Performance Indicators	KPIs
Memorandums of Understanding	MoU
Micro, Small and Medium-sized Enterprise	MSME
National Payment System	NPS
Non-Banking Financial Institution	NBFS
On-site Inspection	OSI
Operational Risk Management	ORM
Plan-Do-Check-Act	PDCA
Risk Management Framework	RMF
Small and Medium-sized Enterprise	SME
Special Data Dissemination Standards	SDDS
SWOT	Strengths, Weaknesses, Opportunities, and Threats
The European Bank for Reconstruction and Development	EBRD
The Group of Twenty	G20
The Sustainable Development Goals	SDGs
Total Quality Management	TQM
United Nations	UN
United Nations General Assembly	UNGA



**Chapter One: The Establishment and  
Development of the Central Bank of Jordan**



## 1.1 Establishment, Objectives, and Nature of Business

CBJ was launched on the 1st of October, 1964, under the Central Bank of Jordan Law No. 4 of 1959 and its amendments. It replaced the Jordan Currency Board established in 1950 and whose tasks were confined to keeping the Dinar coverage in Sterling Pounds. However, the Currency Board did not exercise any functions related to managing the monetary policy or banks' supervision.

Given the importance of central banks' existence to perform their traditional tasks, the new Central Bank of Jordan Law No. 23 of 1971 and its amendments were issued to replace the previous laws, No. 4 and No.93 of 1954 and 1966, respectively. CBJ was determined to make its law reflect the latest updates to keep up with the developments, best global practices, and experiences with regards to the role of central banks in achieving monetary and financial stability in its broadest sense, as well as to enhance the independence of the CBJ in implementing its tasks and achieving its objectives. These objectives were defined in the last amendment of the Central Bank Law No. 24 of 2016, which expanded CBJ's goals following the regional and global central banks, especially in light of the aftermath of the global financial crisis (GFC). Hence, the CBJ embraced the primary aim to maintain financial stability along with preserving monetary stability. The amendment granted the CBJ the authority to oversee and supervise the national payment system (NPS), to determine the systems of payments, clearings, and settlement under its management, and to subject the financial institutions that exercise one or more of the activities provided in the Banking Law to its oversight and monitoring. Furthermore, the CBJ protects financial consumers and carries out its tasks, and enhances monetary and financial stability in the Kingdom.

According to its law, the CBJ enjoys administrative and financial independence that permits it to perform its tasks efficiently and with high flexibility. The CBJ aims to maintain monetary stability, contribute to achieving banking and financial stability in the Kingdom, and promote sustained economic growth in line with Jordan's general economic policies. To achieve its objectives, the CBJ undertakes the following tasks:

- Draws and implements the monetary policies in the Kingdom.
- Oversees and monitors banks to maintain their financial positions' soundness and protect depositors' and shareholders' rights under the effective legislations and governance rules that the CBJ sets per the instructions it issues for this purpose.
- Regulates and develops the national payments system to provide safe and efficient systems for payment, clearance,
- Maintains and manages the Kingdom's reserves of gold and foreign currencies.
- Undertakes the necessary measures to address economic and financial issues.
- Determines the JOD's exchange rate system and policy.
- Monitors financial institutions under its oversight to ensure their financial position's soundness under the effective legislations and the governance rules that the CBJ sets per the instructions it issues for this purpose.

- and settlement in the Kingdom.
- Issues banknotes and coins.
- Acts as a bank for banks and specialized lending institutions.
- Acts as a bank and a financial agent for the government and the official public institutions.
- Sets the necessary rules and controls for banks and financial institutions to deal with their customers fairly and transparently.
- Regulates credit to achieve monetary and financial stability and the requirements of economic growth.
- Increases public awareness of financial and banking activities.
- Provides consultancy to the government regarding setting the fiscal and economic policy and its implementation.
- Performs any function or task that central banks usually perform as well as any other duties assigned to the CBJ under the CBJ's law, any other law, or any international agreement to which the government is a party.

The CBJ uses several monetary instruments to achieve monetary stability. The most prominent ones are; the reserve requirements, open market operations, and rediscount rate. Since 1990, the CBJ has turned to use the market mechanisms by floating the interest rates on deposits, in addition to floating interest rates on credit facilities in 1993. Moreover, the reliance on indirect monetary policy tools increased since 1993 by issuing certificates of deposits. The CBJ has also started to adopt the interest rate corridor since May 2007 to manage the interest rate and liquidity in the banking system. In 2015, the CBJ adopted a main interest rate for managing monetary policy to give clear signals of its tendencies regarding monetary and economic developments. The concept of monetary stability refers to the stability of the general price levels of goods and services, the stability of the exchange rate of the JOD, and the provision of an appropriate interest rate structure that complies with both the domestic economic developments and the developments in the world financial markets.

The CBJ supports and improves the banking system's safety and soundness by adopting prudential oversight on banks that relies on the latest international standards. Due to the importance of the insurance sector in financial stability, the CBJ is in the process of monitoring it. Besides, the CBJ is currently preparing an oversight system on all non-banking financial institutions (NBFIs) that are not subject to its oversight yet. Furthermore, an electronic system for national payments has been developed through which the bilateral transfers, settlement of payments between licensed banks, and the settlement of the liquidation centers are executed. It also operates and manages the electronic cheque clearing system (ECC) between all licensed banks. Moreover, the CBJ is promoting the use of electronic payment and electronic services in Jordan by launching several systems. The CBJ has been guided by the best international practices and standards followed by central banks in the developed countries to achieve its objectives and carry out its tasks.

## 1.2 The Organizational Structure of CBJ and a Summary of Its Units' Job Description

The organizational structure of the CBJ has been set per the strategic objectives and orientations that the CBJ aims to achieve to ensure its independence in the decision-making process and the workflow. The CBJ always seeks to update its organizational structure according to the developments and challenges in the work environment. In 2017 and 2018, the CBJ has established four departments, and new tasks have been added to the domestic payment department to become Payment Systems, Domestic Banking Operations, and the Financial Inclusion Department. Furthermore, a unit concerned with dealing with Cybersecurity incidents was established in 2019 as a response to the modern developments of central banks' role in oversight over institutions and systems that affect financial stability as well as their role in financial consumer protection and to deliver financial services to all individuals in order to achieve sustainable economic growth.

Thus, the organizational structure of the CBJ consists of the Board of Directors that includes the governor of the CBJ as the chairman, the two deputy governors as members, and six other members appointed by a royal decree upon the recommendation of the Cabinet. There are also the executive departments, branches, and offices as detailed below: (Appendix 1.Organizational Chart of the Central Bank of Jordan)

### **Open Market Operations and Public Debt Department**

This department is responsible for managing the implementation of the monetary policy and managing the domestic public debt issuances to maintain monetary stability. It also follows up granting and managing the advances extended to the licensed banks and the specialized lending institutions in compliance with the effective regulations. It also manages CBJ's programs that support several economic sectors.

### **Banking Supervision Department**

This department is responsible for monitoring and supervising banks to verify and guarantee the soundness of their financial positions, protect the rights of depositors and shareholders per the effective legislation and governance rules issued by the CBJ pursuant to the instructions issued for this purpose under the relevant laws, regulations, instructions, as well as the relevant international standards.

### **Payment Systems, Domestic Banking Operations, and Financial Inclusion Department**

This department provides domestic banking services to the CBJ's clients and manages the accounts of licensed banks, ministries, public institutions, international institutions, and entities. It handles internal bookkeeping of the accounts concerned with organizing the departments' work in JOD. The department also coordinates the efforts to execute The National Financial Inclusion Strategy 2018 - 2020.

### **Oversight and Supervision on National Payments System Department**

The department oversees and supervises the national payments system to organize, define, assess, and make the necessary changes -when needed- over the current and planned national payments system components. This is done through cooperation with other concerned entities, whether from inside or outside the CBJ, on the basis of specific standards in line with the best relevant international practices to achieve the safety, efficiency, effectiveness, and business continuity of these components and their compatibility down to achieve financial inclusion in the Kingdom.

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### **Supervision on Microfinance Companies and Credit Bureaus Department**

The department is responsible for supervising, monitoring, and ensuring the soundness of microfinance companies and credit bureaus' financial positions in accordance with the enforced laws, regulations, instructions, and relevant international standards.

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### **Money Exchange Supervision Department**

The department is responsible for ensuring exchange companies' commitment to the provisions of Money Exchange Business Law, the regulations, instructions issued thereunder, and any other relevant laws and instructions through off and on-site supervision. Moreover, the department studies licensing applications, opening branches, and renewing for the exchange companies.

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### **Research Department**

The department undertakes the responsibility of enabling the CBJ to set and implement the monetary policy, preparing research papers and reports, and making recommendations regarding setting and enforcing the monetary policy and the government's general economic policy. It also sets up for the Kingdom's periodical consultations with regional and international financial institutions. Moreover, it prepares macroeconomic models for the Jordanian economy to analyze and evaluate the economic policies and make predictions on Jordan's economic performance. It also manages knowledge in the CBJ.

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### **Information Security and Cybersecurity Department**

The department seeks to maintain CBJ's information within a safe and secured environment throughout its life cycle. It also aims to enhance cybersecurity capabilities in the CBJ guided by the best international practices in this field. Furthermore, the department is concerned with developing and managing an integrated cybersecurity program based on risk management, vulnerability and threat analysis, and setting policies, standards, and procedures of information security and cybersecurity within an efficient security system.

### **The Financial Consumer Protection Department**

The department is responsible for establishing rules and controls necessary to govern the way banks and financial institutions, which are subject to the CBJ's supervision, deal with their customers fairly and transparently. It is also responsible for raising public awareness of financial and banking activities to protect customers' rights. Therefore, strengthening trust in banks and financial institutions, increasing their competitiveness, and protecting their reputation. All of which shall contribute to achieving sustainable economic development and financial system stability.

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### **Financial Stability Department**

This department ensures the financial system's capacity to withstand shocks by analyzing, evaluating, monitoring, and controlling risks on the financial system's macro level. It also sets and implements the strategies necessary to deal with financial crises in order to meet the requirements of a stable financial system.

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### **Risk Management and Compliance Department**

The department is responsible for setting, implementing, and reviewing the general Risk Management Framework (RMF) of aggregate risks. The framework includes the mechanisms for determining, assessing, monitoring, and controlling risks sustainably. It also includes setting information security policies to maintain and protect such information, thus ensuring the efficient and effective sustainable achievement of the CBJ's objectives.

### **The Investments and Foreign Operations Department**

It maintains and manages the CBJ's reserves of gold and foreign currencies in a manner that meets the criteria of security, liquidity, and profitability. It also provides the government and banks with their needs of foreign currencies, finances the government's foreign trade operations, and makes the payments.

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### **The Currency Issue Department**

It manages and organizes the issuance of Jordanian banknotes, coins, and commemorative ones. The department is also responsible for safekeeping valuables that belong to the CBJ and/or deposited under custody to the customers' accounts. It also supervises the currency museum.

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### **Information Technology Department**

The department provides the services related to information technology (IT) and sets their relevant strategies and policies for all the organizational units in the CBJ. Besides, the department plans, implements, and participates in all the projects related to information technology on the CBJ's level and supervises them to ensure their compliance with the strategic objectives of the CBJ in accordance with the most appropriate procedures and standards.

### **Internal Audit Department**

The department helps the CBJ's management through its assuring and consultative activity to improve its operations and fulfill its responsibilities efficiently and effectively by verifying the CBJ's various activities' accuracy and soundness and their compliance with laws, regulations, instructions, policies, and plans. It also helps the CBJ achieve its objectives by evaluating and improving risk management, monitoring, and governance.

### **Human Resources Department**

The department helps the CBJ achieve its objectives by attracting and providing the human resources necessary to carry out the tasks provided in the Central Bank of Jordan Law with high efficiency at the lowest possible cost and effort. It also manages training and improving the capacity of all employees.

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### **Administrative Department**

The department is considered a support unit at the CBJ. It aims to provide CBJ's units with logistic and administrative operations, services, and events. It also manages the relation between the CBJ and the media in all forms of traditional channels, manages CBJ's official social communication accounts, and provides an accessible, high-quality electronic archive based on a scientific approach. It also manages the properties of the CBJ of lands, buildings, equipment, and resources in a sustainable and efficient method with the minimum cost to ensure keeping their value for the longest time. In addition to securing as well as maintaining all physical assets. The department is also concerned with public health and safety, the best use of natural resources, and reducing and rationalizing consumption.

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### **Unit of Financial Computer Emergency Response Team**

This unit aims to enhance the banking and financial sector's cybersecurity system and promote the sector's readiness to face and respond to cyber risks.

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### **Financial Department**

The department contributes to achieving the CBJ's objectives through planning and forecasting the sources and uses of funds, including planning the annual needs of supplies necessary for the CBJ to perform its tasks. Besides, the department analyzes the financial data of the CBJ and presents reports necessary for making the appropriate decisions.

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### **The Branches**

Each of CBJ's branches conducts the needed banking services for the CBJ's customers in their locations.

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### **Legal Consultations Office**

The office supports CBJ's decisions with the necessary legal opinion and consultations. Besides, it represents the CBJ in courts as decided by the governor or any of his deputies.



### CBJ's Office at the Royal Hashemite Court

The office takes care of all banking services that the Royal Hashemite Court might request in Jordanian Dinar and foreign currency.

### Governor's Office

The office assists the governor and his two deputies in handling administrative and technical affairs. It introduces consultancy and recommendations to the governor and his two deputies on some of the main activities of the CBJ. The office also prepares briefs of the specialized studies (newspaper) articles and publications related to the CBJ's mandate.

## 1.3 Specialized Committees

To foster the principles of corporate governance at the CBJ, several permanent specialized committees appear on the organizational structure of the CBJ. Some of these committees are directly linked to the Board of Directors. Others are either linked to the Governor or one of his deputies. Below is a summary of these committees:

Committees Emanating from the Board of Directors	Permanent Committees Headed by the Governor	Permanent Committees Headed by the Deputy Governor
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Risk Management and Compliance Committee	<input type="checkbox"/> Consultative Committee	<input type="checkbox"/> Human Resources Committee
<input type="checkbox"/> Audit Committee	<input type="checkbox"/> Open Market Operations Committee	<input type="checkbox"/> Credit and Financing Facilities
	<input type="checkbox"/> IT Steering Committee	<input type="checkbox"/> Domestic Tenders Committee
	<input type="checkbox"/> Investment Committee	<input type="checkbox"/> Business Continuity Plan Management Committee (BCMC)
	<input type="checkbox"/> Financial Stability Committee	<input type="checkbox"/> Risk Management and Compliance Committee
		<input type="checkbox"/> Department Tenders Committee
		<input type="checkbox"/> Information Security and Cybersecurity Steering Committee

Other Permanent Committees	
Currency Destruction Committee	Procurement Committee
Procurement Acceptance Committee	Sub – Committee Of Tenders
Social Activities Committee	Sandbox Committee
Real Estate Committee	Security Surveillance Cameras and Associated Systems

Exchanging Damaged & Mutilated Banknotes Committee	Technical Committee for Granting Selection within the MM4R Initiative
Employees' Suggestions & Complaints Committee	Projects Management Committee for Enhancing Financial Inclusion

In addition to the above permanent committees and to promote the participatory concept in its broadest sense, several interim committees are formed to accomplish specific tasks. The work of such committees expires upon completing their tasks. When starting these committees, it is taken into account that their members are from different organizational units.

## **Chapter Two: Strategic Planning**

## 2.1 The Planning Methodology

The CBJ drafts the strategic plan every three years, depending on the broad participation of the employees, major partners, and service recipients. This method is based on the analysis of internal and external environments, the results of the evaluation of the previous plan's outcomes, and the evaluation report of King Abdullah II Award for Excellence in Government Performance and Transparency that highlights the significant points of strength and opportunities. Based on the CBJ's vision, mission, and core values, the future outlooks and how to achieve them were discussed and documented in a consistent and compliant context with the national objectives, the Jordan- 2025 document, and royal decrees. These all have been embedded within the action plans of the organizational units in the CBJ.

Several operational objectives were identified to ensure achieving the strategic objectives of the CBJ. Also, some measurable key performance indicators (KPIs) were determined to estimate the extent of attaining the operational goals. The review and evaluation of the achievement level are conducted by permanent committees in the CBJ, such as the Consultative Committee, Open Market Operations Committee, and Investment Committee, to address any deviations that might occur as part of the monitoring and evaluation methodology.

This strategic plan covers the years of 2020-2022, and it has been drafted based on the previous one, with many of the current priorities and initiatives still in the process over the three years ahead.

## 2.2 Preparing and Reviewing the Plan

The CBJ adopted the "Plan-Do-Check-Act" approach (PDCA) in preparing the strategic plan to maintain continuous improvements and developments and adopt management principles to determine its strategic priorities: stability and efficiency in all its operations, interactive learning, enhancing communication channels. Furthermore, the CBJ utilized its employees' capacities -who have the experience and knowledge of the CBJ and its partner institutions' business and activities- to achieve the national objectives.

To prepare the strategic plan, the CBJ depended on collecting and analyzing information using several means, the most prominent of which were: reviewing strategic planning theories, wrapping- up strength points and improvement opportunities outlined in the evaluation report issued by King Abdullah II Award for Excellence in Government Performance and Transparency. In addition to holding brainstorming sessions for the task team and the Consultative Committee to analyze the work environment at CBJ using SWOT/PESTEL, conducting self-evaluation using surveys (questionnaires), consulted the major partners, and distributed the results of work environment analysis on the organizational units to get their feedback.

The gaps between the current situation and the targeted one have been investigated by reviewing the organizational units' action plans and what has been concluded in light of the economic data changes and studying and analyzing the unstable political conditions in the neighboring countries.

### **2.3 The Status Quo of the CBJ: SWOT Analysis of the Working Environment**

The CBJ had held brainstorming sessions to analyze the internal working environment (strengths and weaknesses) and the external environment (opportunities and threats) using SWOT/PESTLE methodologies. These brainstorming sessions included the executive managers of the organizational units of the CBJ and those who have expertise in the business of regional and international central banks. After these sessions were concluded, the strategic planning team gathered the ideas and circulated them to the organizational units of the CBJ to get their feedback. Afterward, the results were prioritized and reported to the senior management of the CBJ, who in their turn reviewed the report and then approved it. Hence, the strategic choices were developed.

### **2.4 Major Challenges Faced by CBJ**

The SWOT analysis of CBJ's internal and external environments demonstrated that there would be several future challenges for the CBJ. One of these significant challenges is the risks to the Jordanian economy due to the disturbed political conditions in neighboring countries that affect the foreign investment in the Kingdom, foreign trade, tourism, and workers' remittances, which caused economic growth to decline and stop at a low level compared to its previous one, and increased the debt, poverty, and unemployment. The preliminary expectations mark a gradual improvement in growth rates during the next few years. Nevertheless, the procedures and policies adopted by the government and the CBJ aided in mitigating these consequences and preserving the economic, monetary, and financial stability in the Kingdom. Consequently, the major challenge during the coming period would be to sustain the financial and monetary stability, on one hand, and participate in developing the investment environment, and accelerate economic growth on the other.

Furthermore, the CBJ faces some organizational and oversight challenges due to the development of electronic payments systems and their relevant technological innovations. The CBJ is making the necessary changes on the legal and regulatory levels to support using modern financial technology and electronic transactions. It is also enhancing the capacity of banks and financial institutions to handle risks resulted from financial technology (FinTech) and cyber threats in a way that contributes to creating a banking environment suitable for using financial technology for providing services and businesses besides putting focus on spreading financial culture and increasing awareness of this technology to enhance financial stability.

## 2.5 Partners

The CBJ has developed an external and internal communication methodology to enable continuous communication with all the partners and employees in the CBJ to ensure transparent and efficient communication with all major and non-major partners. Analyzing and determining the possible partners are based on the scientific rules of strategic planning through holding brainstorming sessions to put a list of the most prominent partners who influence and are influenced by the work of the CBJ or have common interests with it. Afterward, the importance and interaction between the partners and the CBJ in achieving the national objectives were determined. Questionnaires were used to determine whether the services provided by the CBJ meet the partners and services recipients' expectations or not, in addition to the issues they face and their solutions. The most important partners are briefed next as follows:

### The Individuals (The Public)

The CBJ, as a public institution serving the citizens' best interest, is accountable to the general public and maintains transparency in its decisions. Thus, the CBJ provides a periodic database of economic developments and promptly provides a high-quality Jordanian currency with high-security features. Furthermore, it addresses the needs and requirements of citizens in managing its operations to maintain the stability of the exchange rate of the JOD, protect the purchasing power of savings, and promote an efficient banking infrastructure. The CBJ also provided electronic services for individuals, such as electronic payment service, to help users view, pay, and settle their bills electronically via various payment channels. Moreover, it issued Savings Bonds for Individuals as a tool that enables them to utilize and manage their savings safely. The CBJ launched a separate department, the "Financial Consumer Protection Department," which guarantees that banks and non-banking financial institutions' clients would be treated transparently and fairly.

### Banking and Financial System

The CBJ is attentive to meet all the requirements of the legislative and oversight infrastructures that are appropriate for the banking and financial system. The system has a vital and essential role in implementing the monetary policy that contributes to economic growth by providing financial intermediation services among economic entities. The CBJ emphasizes conforming to equality in dealing with banking and financial system's institutions. It also works to ensure the availability of an appropriate level of liquidity that meets the

### Government and Semi-Government Institutions

CBJ's responsibilities toward its relationship with the government are represented as a financial consultant in the financial and economic affairs, implementing royal initiatives and the national agenda, and providing banking services for governmental and semi-governmental institutions (a bank for the government), and managing public debt. The CBJ works continuously to study and consider the economic developments, including the fiscal policy, hence, setting the monetary policy to achieve economic objectives and national



economy's needs. Furthermore, the CBJ encourages licensed banks to implement the latest international standards to improve the banking services to compete internationally.

development and perform its tasks determined in the government's priorities for action for the years 2019- 2020 and Jordan 2025.

### Business Sector

The business sector relies on the CBJ in managing the volume and cost of credit. The CBJ spares no effort to provide a sound investment environment for implementing projects and attracting foreign investments in the business sector through maintaining reasonable inflation rates, a stable exchange rate for the JD, and a sound and stable banking and financial system.

### International Organizations and Bodies

CBJ has close relations with international organizations and bodies such as the International Monetary Fund (IMF), the World Bank, the Arab Monetary Fund (AMF), and others. It also has ties with several institutions and central banks through memorandums of understanding (MoU). CBJ is determined to improve and strengthen these relations and consolidate its reputation in the international community.

## **Chapter Three: Vision, Mission, and Core Values**

The CBJ has studied, discussed, and drafted the mission and vision to reflect its aspirations and purpose of existence. It also determined the core values to be known, understandable, and widely accepted by the bank and impact its actual performance.

All of which has been accomplished based on inclusive participation by CBJ's employees and management, several brainstorming sessions, analysis of the results of the previous strategic plan, experiences of other institutions, and comparison of such to the CBJ's status quo.

### 3.1 Our Vision

**"To continue maintaining monetary and financial stability and thereby contributing to the achievement of economic and social growth in the Kingdom."**

The CBJ's vision represents its biggest ambition of working with maximum efficiency and effectiveness to maintain monetary and financial stability by implementing a prudent monetary policy and maintaining a stable, safe, and efficient banking and financial system that contributes to the economic and social development of the Kingdom. All of this requires a real and a high commitment from all employees in the CBJ and its senior management, active participation with the strategic partners, continuous coordination with the government's economic policies, and strengthening relations with international institutions, central banks, and regional and international financial institutions.

### 3.2 Our Mission

**"Maintaining monetary stability represented in maintaining the stability of the Jordanian Dinar exchange rate and the general price level. Moreover, contributing to providing an attractive and motivating investment environment for economic and social development by providing a convenient interest rate structure and implementing macro and micro-prudential supervision policies that maintain financial and banking stability. In addition to providing safe and efficient national payment systems, promoting financial inclusion, and protecting the financial consumer. To this end, the Central Bank of Jordan employs its human, material, financial, technical, and knowledge resources optimally. "**

The CBJ's mission forms the road map that the bank seeks to achieve in order to reach its vision. The CBJ's mission stems from its business's nature, objectives, and means of achieving them as set out in the CBJ's Law No. 23 of 1971 and its amendments. These objectives are " maintaining monetary stability in the Kingdom, safeguarding the convertibility of the JOD, and contributing to maintaining banking and financial stability in the Kingdom through the new roles and tasks assigned to the CBJ." All of which shall contribute to the promotion of sustained economic growth in line with the general economic policies in the Kingdom. To that end, the CBJ employs its human, financial, material, technical, and knowledge resources optimally.

### 3.3 Our Core Values

**Loyalty:** Commitment, responsibility, and dedication to the institution, its staff, and clients.

**Integrity:** Dealing with the highest standards of professionalism and credibility to ensure equality and equal opportunities for all partners, clients, and workers.

**Excellence:** To make a difference in the quality of provided services following international standards and practices.

**Continuous Learning:** Aspiring to continuously improve both professional and academic levels following international best practices.

**Involvement:** Working together, on all levels, in a team spirit to achieve our national and organizational goals with high efficiency.

**Transparency:** Disclosing information and knowledge and simplifying and clarifying procedures and regulations in accordance with professional standards and pertinent rules.

The CBJ is keen to reflect its core values on its decisions, its employees' behaviors, and actions who pledged to abide by all the fundamental core values. These core values are based on six critical commitments approved by the CBJ's senior management represented by the Consultative Committee and with the participation of all employees in the CBJ. All of which comes in line with the code of conduct prepared by the CBJ to all its employees, including its senior management. The code has been approved by the Board of Directors and circulated to all employees who, in their turn, have pledged to abide by all of its provisions, including some core principles.

Guided by the core values, the CBJ prioritizes Jordan's public interest over its own whenever a conflict arises between the operational and national objectives. Also, the CBJ takes all actions and measures to ensure integrity and accountability. Moreover, the CBJ's management has been working on establishing and rooting these values and emphasizing the need to abide by them on the levels of the organizational units and the senior management of the CBJ as well. The extent of commitment to these values is measured by their reflection on workers' behavior, the goals achieved, and the relationship with partners through an internal and external questionnaire.

## **Chapter Four: Assessment of the Strategic Plan of 2016-2019**

Hereunder are the most significant achievements that the CBJ has fulfilled concerning the strategic objectives of its strategic plan for 2016-2019:

### **Maintaining Monetary Stability in the Kingdom and the Convertibility of JOD**

The monetary policy of the CBJ during the period 2016-2019 was flexible and responded suitably to the global and local economic developments to maintain the pillars of the monetary and financial stability as well as the stability of the exchange rate of JOD. This has been achieved by keeping the interest rate's margin consistent with the international market developments and economic growth requirements and providing a comfortable level of foreign reserves.

### **Maintaining Banking and Financial Stability**

In Jordan, the banking sector continued to have sound financial indicators with a high capability to tolerate shocks and risks. The CBJ also extended its monitoring and oversight umbrella to include microfinance companies to increase their effectiveness and strengthen their role in serving the disadvantaged groups -who cannot access the banking system- and providing them with the necessary funds. The sector of funding micro, small and medium-sized enterprises (MSMEs) got massive attention from the CBJ and commercial banks. Furthermore, the CBJ set the legislative frameworks necessary to grant the clients of the banking and financial sector their rights in case of a grievance. Likewise, attempts were made to enhance the sector of electronic money payment and transfer companies due to its role in; decreasing reliability on banknotes, quickening the execution of payment orders and money transactions and increasing the strength of money management in banks-thus increasing both national and international confidence in the financial scheme.

### **Managing the Kingdom's Reserves of Gold and Foreign Currency**

The CBJ maintains the Kingdom's gold and foreign currency reserves and invests them in investment tools (Money Market and Capital Market). These investment tools are characterized by high liquidity and safety. The CBJ also executes foreign banking and financial operations regarding letters of credit, remittances, and cheques from the government and its institutions. Also, the CBJ instantly meets the government's and the banking sector's needs for foreign currencies.

### **Contributing to Encouraging Economic Growth in the Kingdom**

The Jordanian economy faces several challenges and risks, most significantly the disturbed political conditions in neighboring countries, which led to a modest growth rate of real gross domestic product



(GDP) in 2018, estimated at 1.9%. Despite these challenges and risks, the procedures and policies adopted by the government and the CBJ helped in mitigating the consequences and maintaining financial, monetary, and economic stability. The CBJ supported micro, small and medium-sized enterprises (MSMEs) as they play a critical part in sustaining economic growth, reducing unemployment, fighting poverty. MSMEs were enabled to obtain the financing necessary to operate on medium and long terms and with competitive interest rates through the CBJ's program. The program funds and endorses significant economic sectors that have an added value to the national economy with prices and terms proper with these sectors' needs. The funds are of an approximate monetary cap of 1.3 billion JOD.

Moreover, funds of 440 million USD have been loaned for small and medium-sized enterprises (SMEs) from World Bank, Arab Fund for Economic and Social Development, and The European Bank for Reconstruction and Development (EBRD), as well as the funding provided to Jordan Loan Guarantee Corporation (JLGC) to establish a private company for funding emerging and entrepreneurial projects. Furthermore, JLGC has established the Export Credit Guarantee Program, CRIF Jordan, Innovative Startups And SMEs Fund (ISSF), and two investment companies for banks. Recently, JLGC provided support for the National Self-Employment Program (INHAD).

### **Maintaining Confidence and Security in Jordan's Currency and Implementing the Clean Note Policy to Ensure Improving the Quality of Circulated Banknotes**

The CBJ kept adopting the Clean Note Policy by designing and printing Jordanian banknotes and withdrawing all old banknotes from circulation. Moreover, CBJ performs all operations relevant to releasing Jordanian banknotes and coins for circulation. These operations include sorting, counting, packaging, destruction, managing the CBJ's stock of the Jordanian currency, and organizing the printing of circulated and commemorative banknotes and coins.

### **Maintaining the Soundness and Efficiency of the National Payment System**

The CBJ continued setting the necessary controls to organize the national payment sector. These controls include the regulatory and legislative frameworks appropriate for electronic payment and money transfer in order to meet and reflect the needs and arrangements of the current and old payment systems, participants and business models, the innovative products, tools, and payment channels, including the legislations necessary to ensure the effectiveness and efficiency of supervising, overseeing, and protecting the financial consumer.

The Electronic Payment and Money Transfer Bylaw No. (111) of 2017 was issued to prevent the practice of any payment services before obtaining the final license from the CBJ. The CBJ continues supporting

security and protection measures when executing electronic payment and money transfer. It also adheres to the international principles and standards concerning money markets' infrastructure.

During 2016 and 2017, the CBJ pursued developing and restructuring settlements and payment systems in the Kingdom in cooperation with other banks operating in Jordan and concerned partners. This process is intended to increase the security and efficiency of settlement and payment systems in order to decrease systemic risks and credit risks and facilitate the cycle of cash in the economy, all of which would strengthen economic efficiency. On the level of settlement and payment systems, the CBJ launched the Automated Clearing House (ACH) system in 2016 in a manner consistent with (ISO 20022). The ACH is a system for payment, transfer, and automated authorization that provides a safe infrastructure to execute retail payments amongst member banks and their clients, including the CBJ.

### **Spreading and Deepening Financial and Banking Literacy and Contributing to Promoting Financial Inclusion and Protecting Financial Consumer**

To complement the efforts toward enhancing financial inclusion in Jordan, The National Financial Inclusion Strategy was launched on the 4th of December, 2017, under royal patronage. The strategy included six main pillars that promote and increase financial inclusion. Afterward, the CBJ has coordinated with the key partners from all the concerned sectors to set work plans for all the strategic pillars. These plans were finalized and published on the CBJ's official website in 2018. The National Financial Inclusion Strategy seeks to accomplish two main objectives; the first is scaling up the level of financial inclusion from 33.1% in 2017, per adults who own accounts at financial institutions, to 41.5% by 2020; the second objective is bridging the gender gap in access to finance from 53% to 35%.

Regarding spreading and deepening financial knowledge, the CBJ has launched a project in cooperation with the Ministry of Education and INJAZ, seeking to widen and deepen social financial knowledge among Jordanian society's sectors. This project has been achieved by enlisting financial literacy as a separate course amongst the Ministry of Education's curriculum from 7<sup>th</sup> grade till the 12<sup>th</sup> grade. Furthermore, and in light of CBJ's concern to strengthen the principles of transparency and fairness in handling customers of banks and financial institutions, it amended its law by expanding the scope of its tasks. The expansion included setting the necessary rules and controls for banks and financial institutions to handle their clients based on transparency and fairness and increasing public awareness of the financial and banking activities. Thus, the CBJ had established a separate organizational unit in 2017 to set the necessary procedures that guarantee that the banks and financial institutions' clients would be treated fairly and transparently in the transactions besides getting the financial services and products efficiently and at a reasonable cost and high quality.

## Promoting the Quality of CBJ's Services

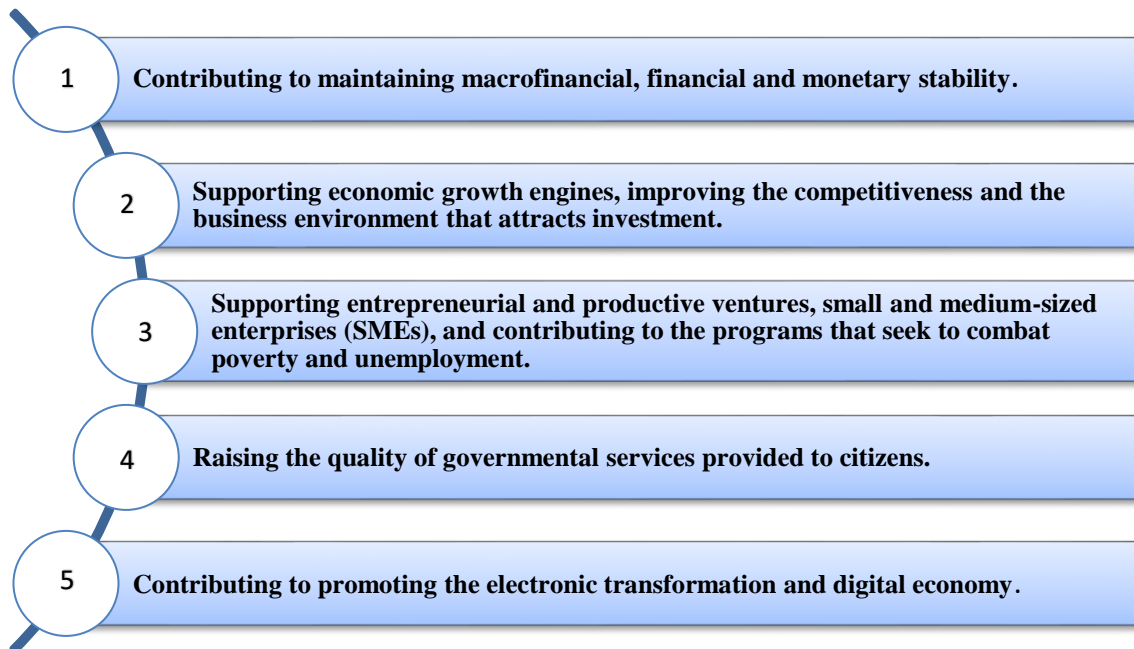
The CBJ has continued automating its services provided to all recipients to add value for their sake and ensure the highest levels of information security and protection of these services offered by the website or electronic systems. Also, the CBJ supported initiatives and innovations that follow the most up-to-date global technology, especially the ones that increase the capability to access digital financial services with ease, efficiency, and safety, taking into account the need to promote cybersecurity of financial services in general due to the development in the field of financial technology and innovation that Jordan had witnessed. In early 2018, the CBJ launched the FinTech Regulatory Sandbox to establish a business incubator for entrepreneurs, thus supporting and encouraging innovations and development in financial technology. All of which would boost the competitiveness in this field, increase the efficiency, effectiveness, and safety of money movement, increase access to official financial services while maintaining the impartiality and stability of the financial sector, and protect the rights and data of the financial consumer. On the 6th of February, 2018, the CBJ issued Instructions of Cybersecurity Risks Resilience to strengthen banks' and financial institutions' capacity to stand against electronic attacks professionally and with high technology, allowing them to keep offering their services and implementing their operations safely. Besides, the instructions encourage banks and financial institutions to invest in electronic security and cybersecurity due to its importance and role in the technical revolution that serves the national economy.

## **Chapter Five: National, Strategic, and Operational Objectives**

## 5.1 National Objectives

The CBJ had determined the national objectives relevant to its business in light of the framework provided by the Jordan-2025 document (A National Vision and Strategy) as it includes the royal initiatives and all the previous ones such as the National Agenda, Jordan First, and We Are All Jordan. The CBJ also covers the government's action priorities for 2019-2020, the competitiveness indexes, and the results of revising the strategic plan for 2016-2019. These objectives reflect the Kingdom's trends in its future steps to build a flexible and sound financial sector that enhances sustainable economic growth. Accordingly, the strategic plan 2020-2022 included five national objectives by adding the fifth one: "Contributing to promoting the electronic transformation and digital economy," per the government's trend to enhance the electronic transformation of governmental services.

The five national objectives are as follows:



## 5.2 Strategic Objectives

To contribute to achieving the national objectives, the CBJ had committed to an ongoing learning process, had adapted to the changing economic circumstances, and faced emerging challenges. This purpose is supported by well-defined strategic objectives set based on the main goals and tasks of the CBJ stipulated in its law and by reviewing the strategic objectives of several world's central banks in cooperation with the CBJ's key partners. Consequently, the strategic plan 2020-2022 includes eleven objectives to achieve

sustainable future economic growth that establishes a dynamic financial sector with diversity and flexibility that allows it to stand against unpredictable risks and negative developments.

Following is a summary of CBJ's strategic objectives:

### **Maintaining Monetary Stability in the Kingdom and Ensuring the Convertibility of JOD**

Maintaining monetary stability in the Kingdom is the main task of the CBJ. To achieve this, the CBJ adopts a prudent monetary policy that includes a set of measures, actions, and tools that enable the CBJ to accomplish this objective through an operational framework set in line with the best international practices for monetary policy. The operational framework follows an indirect management approach by utilizing operational instruments to manage its monetary policy, such as managing an interest rate structure within targeted limits in the interest rate corridor and maintaining the excess reserves within the targeted limits. The CBJ continuously works on developing and improving the monetary policy data analysis methodologies to enhance the decisions' efficiency.

### **Contributing to Maintaining Banking and Financial Stability**

The CBJ contributes to enhancing the banking and financial systems' strength and soundness to become an efficient and highly competitive sector. It also strives to verify banks' capacity to withstand financial shocks, enhance the legal framework needed for managing banking crises effectively, and enhance transparency and fairness of banks when dealing with their clients to improve the banking sector's competitiveness and protect the sector from reputational risks. The CBJ achieves this strategy through micro-prudential supervision on banks and financial institutions to verify the accuracy of the businesses and performance of the banking system institutions that are subject to its supervision to ensure the soundness of their financial positions in line with the effective laws, bylaws, instructions as well as banking practices to meet the requirements of banking safety. Another tool to achieve this strategy is macro-prudential supervision by monitoring the systemic risks that might adversely impact the national economy. The CBJ pursues reviewing the relevant legislation that governs banking and financial institutions' work to keep up with the latest developments and the best international practices and experiences regarding a central bank's role in maintaining the banking system's integrity.

### **Managing the Kingdom's Reserves of Gold and Foreign Currency**

The CBJ manages the Kingdom's gold and foreign currency reserves to meet the goals of safety, in the first place and liquidity in the second, meet the government's and the banking system's needs of foreign currency, and finance the government foreign trade operations, and make payments.



## **Contributing to Encouraging Economic Growth in the Kingdom**

The CBJ stimulates economic growth in the Kingdom by providing direct or indirect support to several vital sectors for economic growth by launching several projects and initiatives to support the small and medium-sized enterprises (SMEs) sector as well as pioneering projects.

## **Maintaining Confidence and Security in Jordan's Currency and Implementing the Clean Note Policy to Ensure Improving the Quality of Circulated Banknotes**

The CBJ kept adopting the Clean Note Policy by designing and printing Jordanian banknotes and minting circulated and commemorative coins, and withdrawing all old issues from circulation. Moreover, CBJ performs all operations relevant to releasing Jordanian banknotes and coins for circulation. These operations include sorting, counting, packaging, destruction, managing the CBJ's stock of the Jordanian currency, providing quantities of currency enough to meet the market's demand and, reducing the risks of counterfeit money through programs that seek to raise public awareness as well as cooperating with the concerned parties to fight counterfeit money.

## **Maintaining the Soundness and Efficiency of the National Payment System**

One of the essential roles that the CBJ performs is the oversight and supervision of the national payment system through monitoring and assessing the frames and practices of risk management of electronic money payment and transfer services. The CBJ also ensures the compliance of the financial companies that offer electronic money payment and transfer to its governing legislation to maintain the efficiency and soundness of the national payment system and its components. CBJ also ensures that these companies follow efficient and proper methods to manage risks they are exposed to and have enough incentives and guarantees to face these risks. The companies should consider the importance of teamwork among all participants in this field since the risks that one participant might face are related to all participants' behavior and affect them and the payment system as a whole. The CBJ also monitors, assesses, and encourages innovation and organization of the proper financial technology that would reduce the cost of offering the financial services and enhance the development of interoperable services to attain full conformity and increase cooperation and competitiveness in the market.

## **Enhancing the System of Financial Consumer Protection and Spreading and Deepening Financial and Banking Literacy**

Protecting the financial consumer's rights is a fundamental element of the strategic plan of the CBJ and its oversight framework. For the financial and banking sector to work smoothly and effectively, the

consumer should trust the financial and banking institutions' products and services and the protections provided by the oversight framework. Thus, the CBJ works on increasing the public awareness of the financial and banking activities and setting the necessary controls to enhance transparency and fairness when the financial institutions under the supervision of the CBJ deal with their customers- hence promoting the competitiveness of these companies and protecting them of reputation risks and legal risks. All of which would guarantee their participation in sustainable economic growth, the stability of the financial system, and protecting the rights of the clients who deal with financial institutions.

### **Promoting Financial Inclusion in the Kingdom**

After the global financial crisis, economic and financial policy-makers started to focus on financial inclusion and the ability to access financial services by different segments of society, especially the disadvantaged class targeted by the financial system because this matter affects the political, social, and financial stability as well as economic growth and financial consumer protection. This is the reason behind adopting this new objective, not only through supply-related businesses such as the procedures that allow access to funding but also through demand - related businesses, such as promoting financial literacy.

### **Increasing the Quality of CBJ's Services and Maintaining an Acceptable Level of its Information Security**

The CBJ is keen to increase the satisfaction of service recipients and the partners by keeping the quality and effectiveness of its operations and keeping up with the technological updates to offer the service in a modern, fast and safe method. To that end, the CBJ develops its operations to efficiently provide the services to the clients while maintaining acceptable levels of information security. In doing so, the CBJ keeps up with the updates and technologies that enhance the capability to access digital financial services easily, efficiently, and safely while taking into account the need to develop the policies and procedures of information security and setting the proper activation methods to achieve the desired levels of security while providing the financial services.

### **Supporting the Initiatives of the E-Government and Digital Economy**

Jordan had witnessed an enormous development in financial technology and innovation due to an investment environment that supports innovation and the increase in demand for financial technology in the Jordanian market. In that respect, the CBJ had announced supporting the initiatives and innovations that utilize the latest global technology, especially those that increase the capability to access digital financial services easily, efficiently, and safely while taking into account the need to boost the

cybersecurity of financial services in general. It is worth mentioning that the CBJ had launched in early 2018 the Fintech Regulatory Sandbox to establish a business incubator for entrepreneurs, thus supporting and encouraging innovations and development in financial technology. All of which would elevate the competitiveness in this field, increase the efficiency, effectiveness, and safety of money movement, increase access to official financial services while maintaining the impartiality and stability of the financial sector, and protecting the rights and data of the financial consumer.

### **Participating in Promoting the Capability of the Banking and Financial Sector to Confront and Response to Cybersecurity Risks**

Due to the developed innovations and the new business models in the banking and financial sectors, information security became heavily involved in countering and preventing any electronic attack that targets banking and financial companies in the Kingdom. To that end, the CBJ had issued the Instructions of Cybersecurity Risks Resilience to strengthen banks and financial institutions' capacity to stand against electronic attacks professionally and with high technology, allowing them to keep offering their services and implementing their operations safely. Besides, the instructions encourage banks and financial institutions to invest in electronic security and cybersecurity due to its importance and role in the technical revolution that serves the national economy.

### **5.3 Operational Objectives**

The operational objectives stem from the strategic objectives that the CBJ seeks to achieve, as they will be concluded during the strategic plan to ensure achieving both strategic and national objectives. These objectives were determined in light of the results of analyzing the internal and external work environment, deriving benefits from strength points and opportunities, handling weaknesses, and preventing threats or mitigating their effects once they occur. It was considered while determining these objectives to make them well-defined, measurable, achievable, and time-bound. To confirm the reality of these objectives, the organizational units of the CBJ, especially the ones relevant to the strategic objectives, were instructed to define their operational objectives by deriving them of the regulations and instructions that govern their units' work. Besides, clear, understandable, and measurable key performance indicators (KPIs) were defined for each operational objective to assess the operational objective's achievement level and determine and clarify the deviations and their reasons.

Appendix 2. Matrix of National, Strategic and Operational Objectives for the CBJ (2020-2022)

## **Chapter Six: Supporting Strategies**

**In addition to this strategic plan, the CBJ adopts several supporting strategies that enable the CBJ directly or indirectly to implement its main strategies with high efficiency. These strategies are as follows:**

## **The National Financial Inclusion Strategy (2018-2020)**

In 2015, the CBJ instructed and supervised drafting the national financial inclusion strategy in the Kingdom, including several key partners from different sectors. The strategy aims explicitly to pursue financial inclusion for the youth, women, refugees, low-income people, and micro, small, and medium-sized enterprises (MSMEs). Under the national financial inclusion strategy (2018-2020), the CBJ and the key partners are committed to soundly and prudently enhance the financial inclusion for individuals and companies in the Kingdom based on scientific foundations gleaned from evidence and study, taking into account accomplishing sustainable social and economic growth that conforms with The Sustainable Development Goals (SDGs) set by the United Nations (UN). The concepts of inclusive growth and sustainable development became critically important recently as they constitute a model for policies targeted toward pursuing development in emerging and developed countries. Furthermore, public awareness increased regarding the importance of inclusive finance and its central role in the development and the need to improve financial inclusion levels in these countries. All of these are to utilize all the potentials to derive the maximum benefit from finance to achieve inclusive growth and development. In this context and during the Pittsburgh Summit, The Group of Twenty (G20) enlisted financial inclusion as a fundamental pillar to pursue sustainable development. The World Bank also launched an initiative to promote financial inclusion worldwide and increase the chances to obtain financial services by 2020. In a related matter, the United Nations General Assembly (UNGA) had endorsed the sustainable development goals (SDGs) in September 2015 by focusing on the importance of financial inclusion and its influential role in achieving the 2030 Agenda for Sustainable Development, which was set in December 2015.

## **Information Security and Cybersecurity Strategy**

Based on the strategic planning methodology of the CBJ, which ensures the sustainability and achievement of the strategic objectives of the CBJ that include maintaining the soundness and efficiency of the national payment system, increasing the quality of services provided by the CBJ, and maintaining an acceptable level of information security. Achieving these objectives depends primarily upon the information that is considered an essential asset for any institution. Hence, there is a pressing need to protect information during its life cycle. One of the main factors of maintaining information security is drafting strategies, policies, and the necessary procedures to protect information through Institutional Effectiveness (IE).

The strategy represents a road map towards enhancing information security and cybersecurity in the CBJ to achieve the bank's strategic objectives. The strategy is based on the fundamental principles (tenets) of

information security; confidentiality, integrity, and availability. It also demonstrates the procedures followed by the CBJ to fulfill these tenets.

### Human Resources Management Strategy

In light of CBJ's realization of the importance of the human factor in the development and improvement processes, and in order to enhance the efficiency of its employees, the CBJ has paid attention to developing its human resources through adopting a respective strategy that included the following pillars:

- Attract and provide competent and efficient human resources.
- Motivate and retain human resources.
- Increase the efficiency of all CBJ's employees through training.
- Maintain a flexible and effective organizational structure that allows the CBJ to perform all its tasks effectively and according to the work requirements and updates.
- Attract and provide competent and efficient human resources by predicting human resources' actual needs according to business requirements.
- Increase the efficiency of the procedures of human resources management using the latest technology.

### Strategy of Information Technology

This strategy seeks to provide and sustain the technical services according to the proper international standards and best practices to maintain the quality of information by keeping up with the technological developments, building human resources capacities and skills so that the CBJ could achieve its objectives.

The strategy is based on several essential pillars, such as:

- Automation of CBJ's activities.
- E-readiness and the advanced electronic infrastructure.
- Updating servers and networks and raising the efficiency of the information network.
- Developing the disaster recovery plan (DRP).
- Upgrading CBJ's official website.
- Increasing the skills and efficiency of the employees working on information systems.
- Contributing to developing and providing electronic services to the bank's clients.
- Developing security systems.
- Developing the instructions and guidelines for the service recipients into automated and visual services.

## Strategy of Developing Financial Management

This strategy aims at:

- Developing financial management in the bank.
- Preparing financial reports to provide decision-makers with the necessary and proper information.
- Providing, fixing, and distributing the bank's financial resources (nonfinancial movable assets) efficiently and effectively for optimum use.
- Managing the systems of incoming and outgoing financial correspondences and providing the optimum controls for access policy of the financial correspondence system per the security and protection policies followed in the CBJ.
- Contributing to spreading and deepening financial literacy through providing financial support for the Institute of Banking Studies.

## Strategy of Developing Administrative Operations and Managing Materials, Equipment, and Logistic Services

This strategy aims to meet the needs of the organizational units of buildings, construction, and fixtures and maintaining them. Moreover, the strategy is concerned with executing the administrative operations and providing the necessary logistic services to help the organizational units perform their tasks, thus achieving CBJ's goals. This strategy is considered a regulatory framework for managing buildings, equipment, and resources in a sustainable, effective, and inexpensive method- hence, pursuing the long-term preservation of its value and the safety of all physical assets by effective maintenance. Moreover, the strategy cares for health and public safety, reducing the negative impacts on the local environment using the appropriate and safe methods and the optimum use of natural resources, and reducing and rationalizing consumption.

## Strategy of Developing Cash Management

The strategy intends to:

- Secure enough banknotes and coins in the required denomination to meet the public's needs under normal and exceptional circumstances.
- Create public awareness of the currency's characteristics and security features.
- Manage the cash to guarantee its quality and withdraw the unfit cash from circulation quickly and efficiently.

- Protect national cash from counterfeiting by adding security features and keeping up with developments in printing currency technology.
- Safe keep valuables that belong to the Bank and/or deposited under custody to the customers' accounts.
- Manage the museum of currency and document the cultural heritage of circulated currency in Jordan.
- Commemorate of national, religious, Arab, and global events through issuing and marketing commemorative coins.
- Quality control through examining and testing samples of circulated and commemorative banknotes and coins to ensure that they match the specifications, descriptions, and technical aspects based on CBJ's requirements and/or the International Organization for Standardization (ISO).
- Implement the Total Quality Management (TQM) concept in the Currency Issue Department by using administrative operations soundly to achieve quality at minimum cost and efforts and with high inclusiveness.



**Chapter Seven: Implementation of Strategies,  
Executive Plans and Work Programs**

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To ensure the implementation of the strategic plan, the CBJ performs the following:

– **Prepare Work Plans:**

The organizational units prepare work plans to ensure achieving the defined strategic objectives. The work plans demonstrate the main activities, programs, and projects that the departments will implement, which will also contribute to achieving the operational goals of the CBJ- hence executing the CBJ's strategic objectives as well as determining the necessary financial and human resources.

– **Measure the level of achievement:**

The CBJ set Key Performance Indicators (KPIs) to measure and monitor the achievement level in executing the strategic objectives and comparing the actual performance with the planned one. The concerned organizational units handle revising these KPIs and periodically report to the senior management of the CBJ.

– **Follow- up and Evaluation:**

Following up and evaluation is fulfilled through the permanent committees such as Consultative Committee, Open Market Operations Committee, Investment Committee, and Credit and Financing Facilities. According to the follow-up and evaluation methodology, the organizational units set and follow up KPIs to measure the progress made in achieving the strategic objectives and compare the actual performance with the planned one. The strategic planning committee follows up the extent to which the strategic objectives have been attained by monitoring the KPIs, identifying the deviations in achieving these objectives, and reporting such to the senior management.

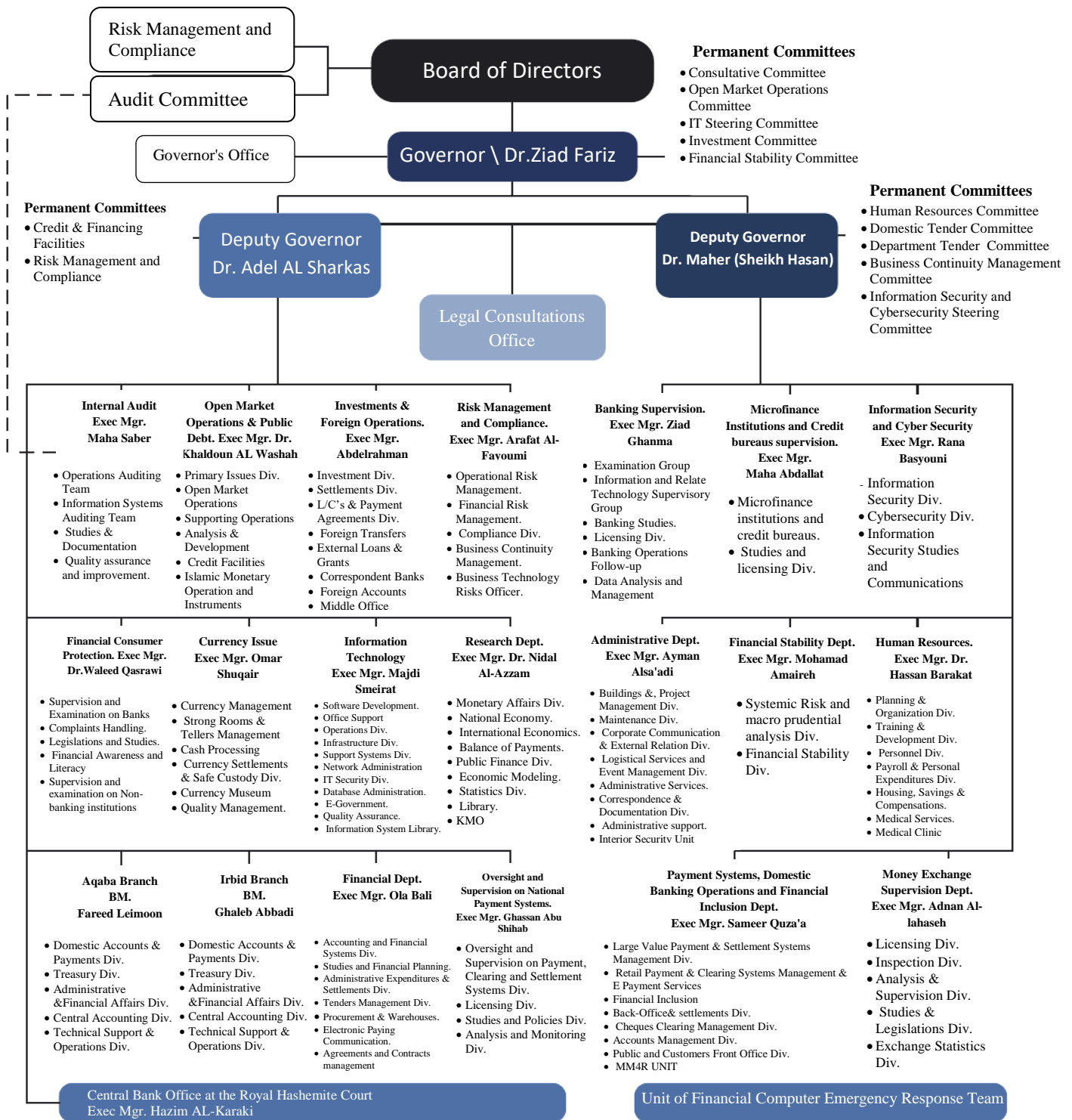
– **Risk Management:**

The CBJ had developed the general framework document for aggregate risk management due to the importance of handling the risks -that stand against accomplishing the strategic objectives- before they occur and mitigating them in case they do. According to the world central banks' best practices, the CBJ had defined a set of risks that threaten to achieve the strategic goals and their probability of occurrence and their impact. Furthermore, there are methodologies to manage operational risks, such as the applied instructions for Operational Risk Management (ORM) and applied operational risk data instructions.

The Internal Audit Department reviews and evaluates the efficiency and sufficiency of the internal monitoring systems at CBJ. It also submits its evaluation results to various middle managements to aid them in fulfilling their responsibilities efficiently and effectively.

# Appendices

**Appendix (1): The Organizational Chart of CBJ**



**Other Permanent Committees**

- Currency Destruction Committee
- Procurement Acceptance Committee
- Social Activities Committee
- Real Estate Committee
- Exchanging Damaged & Mutilated Banknotes Committee
- Employees' Suggestions & Complaints Committee

- Procurement Committee
- Sub – Committee Of Tenders
- Sandbox Committee
- Security Surveillance Cameras and Associated Systems
- Technical Committee for Granting Selection within the MM4R Initiative
- Projects Management Committee for Enhancing Financial Inclusion

**Appendix (2): Matrix of National, Strategic, and  
Operational Objectives for the CBJ (2020-2022)**

Strategic Objectives	Operational Objectives	Operational Objective Indicator
Maintaining Monetary Stability in the Kingdom and the Convertibility of JOD	Matching the rate of interests with the requirements of monetary stability and economic growth.	The stable interbank overnight lending rate.
	Activating CBJ's different instruments to affect liquidity and its components in order to achieve monetary stability.	The margin between Targeted Interbank Rate and interest rate of Fed Target Funds.
	Maintaining the stability of the general price levels	Inflation rate within acceptable limits
	Fixing the exchange rate of the Jordanian Dinar (JOD).	Fixing the exchange rate of the JOD against the US dollar.
	Maintaining a safe level of Foreign Currency Reserves.	Covering the gross foreign reserves of the Kingdom's imports.
Maintaining Banking and Financial Stability	Monitoring banks to ensure the soundness of their financial positions.	<ul style="list-style-type: none"> <li>- Prepare the annual plan for banks' inspection.</li> <li>- Following up several percentages and indicators.</li> </ul>
	Promoting risk management at banks.	The magnitude of loss resulted from poor operational risk management.
	Issuing regulations and instructions in compliance with the best banking practices.	The number of issued and amended instructions.
	Issuing the banking sector's bulletins and reports.	Publishing the Financial Soundness Indicators (FSIs) of Jordan's banks.
	Conducting studies relevant to banks in general.	<ul style="list-style-type: none"> <li>- Prepare periodic studies regarding the performance of the banking system.</li> <li>- Prepare studies over credit concentration for VIP clients and banks in general.</li> </ul>
	Reducing the practice of currency exchange without licensing.	Following up on what CBJ receives regarding dealing with foreign currency without licenses.
	Contributing to the stability of the JOD's exchange rate against foreign currencies through monitoring the trends in foreign currencies in the market.	The margin between the US dollar rate in the market from the official price.
	Monitoring the compliance of money exchange companies with the Exchange Law and exchange instructions in force.	The number of violations committed by exchange companies.
	Amending the instructions and legislations per the best international practices and standards relevant to the exchange sector.	Issue the instructions and legislation and prepare studies relevant to the exchange sector.
	Promoting the efficiency of exchange companies and strengthening their financial position.	The average of exchange companies' capital.
Monitoring the microfinance	Pay a visit to licensed microfinance	

	companies to ensure the soundness of their financial positions.	companies.
	Monitoring credit bureau companies.	Field visit for CREF-Jordan.
	Expand the oversight umbrella of CBJ to include non-bank financial companies.	Prepare the legal reference for CBJ's oversight over non-banking financial companies (NBFC).
	Organizing and improving the insurance sector in the Kingdom.	The completion percentage of the legislative frames that organizes the insurance sector.
	Legislative management of financial consumer protection.	Issue the instructions necessary to provide the required legislative environment that protects the customers of the financial and banking sector.
Managing the Kingdom's Reserves of Gold and Foreign Currency	Meeting the government's and the banking system's needs for foreign currency.	To 100% meet the needs of the government and the banking system of foreign currency.
	Financing the government's foreign trade operations and settling payments.	To 100% finance the government's foreign trade and payments.
	Investing the Kingdoms' reserve of gold and foreign currency.	The ability to make a profit equal to or higher than the adopted KPI during normal circumstances.
Contributing to Encouraging Economic Growth in the Kingdom	Organizing the amount, quality, and cost of credit to respond to financial stability and economic growth requirements.	The cost of finance of the economic sectors.
	Enhancing micro, small and medium-sized enterprises' capacity to obtain credit at reasonable costs and maturities.	The ratio of credit facilities -provided to micro, small, and medium-sized enterprises- to banks' total credit facilities.
Maintaining Confidence and Security in Jordan's Currency and Implementing the Clean Note Policy to Ensure Improving the Quality of Circulated Banknotes	Meeting the needs of the economic field of banknotes and coins and maintaining the structural distribution of the issued currency denominations.	The sufficiency of domestic and strategic stock.
	The quality level of circulated banknotes.	Maintaining the quality of issued banknotes and withdrawing the unfit ones from circulation.
	Protecting the currency against counterfeiting.	The percentage of counterfeit currency.
	Maintaining confidence in the Jordanian currency by upgrading their security features and specifications.	The number of security features.
Maintaining the Soundness and Efficiency of the National Payment System	Setting a comprehensive plan to develop the payment systems and their channels, increasing the requirements of payments, settlements, and clearance systems, and promoting	Increase the efficiency of the requirements of the payments, settlements, and clearance systems, in addition to enhancing access and participation in the national payment



	access and participation in the national payment system.	system.
	Organizing, licensing, supervising, and overseeing the national payment system to check the soundness and efficiency of its components and ensure its continuity.	<ul style="list-style-type: none"> <li>- Issue all relevant legislations that allow the existence of secure, efficient national payment systems.</li> <li>- Oversight and Supervision on National Payments System Department's number of inspection visits based on the annual plan of supervision and oversight over the national payment system and its components.</li> </ul>
	Off-site monitoring for the data of the national payment system.	Automate all tasks related to collecting and analyzing data into the national payment system of the entities under the oversight and supervision of the CBJ.
	Contributing to spreading and deepening the security awareness literacy at the bank's levels and the banking and financial institutions.	Increase employees' awareness of information security and cybersecurity.
Strengthening the System of Financial Consumer Protection and Spreading and Deepening Financial and Banking Literacy	Publishing and deepening financial awareness literacy and knowledge among all social segments.	<ul style="list-style-type: none"> <li>- The Money Exchange Supervision Department's number of activities to disseminate and deepen money exchange and financial knowledge.</li> <li>- Oversight and Supervision of National Payments System Department's annual activities to disseminate and deepen banking and financial knowledge.</li> <li>- Publish educational material to increase the public's banking and financial awareness.</li> </ul>
	Publishing statistical data about the performance of the payment sector in Jordan and its impacts on the domestic economic environment.	<ul style="list-style-type: none"> <li>- Publishing statistical data and reports about the performance of the economy in Jordan.</li> <li>- Publish the annual report of the national payment system in Jordan.</li> </ul>
	Contributing to enhancing the protection of the financial consumers of electronic payment and money transfer companies.	Issue the regulatory instructions to protect financial consumers of the electronic payment and money transfer companies.
	Contributing to enhancing the protection of the financial consumers of microfinance companies.	Verify the microfinance companies' compliance with Instructions of Financial Consumer Protection for Microfinance

		Sector No. (15/ 2018) through field visits to microfinance companies.
	Issuing the annual financial stability report.	Publish financial stability report.
	Continuing to release the Special Data Dissemination Standards (SDDS).	Adhering to the timeline in publishing the essential economic indicators.
	Supporting the Institute of Banking Studies.	A sum of money calculated using a specific equation.
	Enhancing the transparency and fairness of the banking institutions under the oversight of CBJ as they deal with their clients to underpin trust between the two parties and ensure that the client will not be treated with prejudice both in terms of pricing or collection.	Preparing an off-site and on-site oversight plan and implementing it over banks and non-banking financial institutions regarding the issues that concern consumer protection.
	Enhance the banking and financial sector clients' satisfaction by developing an effective mechanism to solve complaints and settle disputes.	Implement an effective method for handling the complaints received by the CBJ from the clients of banks and non-banking financial companies.
Contributing to Promoting Financial Inclusion in the Kingdom.	Contributing to promoting financial inclusion.	Evaluating and following up the implementation of the required activities requested within the work plan of executing the financial inclusion strategy concerning microfinance.
	Studying the facilities provided by banks and microfinance companies to micro, small and medium-sized companies.	Banks and microfinance companies' gross ratio of facilities provided to micro, small, and medium-sized companies to the private sector facilities' gross ratio.
	Dissemination of financial knowledge to bridge the gender gap and increase the number of participants in the payment systems.	Participate in increasing the percentage of financial inclusion in the Kingdom.
	Participating in increasing financial inclusion, thus providing secure and developed money exchange services.	The number of final approvals given to exchange companies or branches.
	Participating in further spreading efficient electronic financial services.	<ul style="list-style-type: none"> <li>- Licensing and controlling electronic payment and money transfer companies.</li> <li>- Automate all tasks related to collecting and analyzing data for efficient monitoring over electronic payment and money transfer companies.</li> </ul>
Promoting the Quality of CBJ's Services and Maintaining an Acceptable Level of its Information Security	Finish automating the required CBJ's tasks.	<ul style="list-style-type: none"> <li>- The ratio of Banking Supervision Department's automated businesses to the ones required to be automated (Individual and aggregate data)</li> <li>- Developing and programming the on-</li> </ul>

		site inspection (OSI) activities over the entities under CBJ's supervision.
	Promoting the quality of service recipients and partners and providing services electronically.	<ul style="list-style-type: none"> <li>- The percentage of concluded technological tasks that had been automated.</li> <li>- Upgrading the quality of technological banking services provided to the public sector by raising and improving the satisfaction of the service recipients and the participants in payment and settlement systems.</li> <li>- Increasing the degree of satisfaction of the service recipients from CBJ's office at the Royal Hashemite Court by measuring the degree of satisfaction of the office's services and the number of complaints received by CBJ.</li> </ul>
	Achieving the best electronic readiness and optimally employing it to contribute to achieving the institutional goals of the CBJ.	<ul style="list-style-type: none"> <li>- The level of system's and computer services availability.</li> <li>- The availability ratio of the infrastructure systems, networks, and security equipment.</li> </ul>
	Combating information security and cybersecurity risks and keeping them within the acceptable levels by CBJ.	Evaluating the security and efficiency of the implemented controls.
	Contributing to spreading and deepening security awareness at CBJ and the financial and banking institutions.	The level of awareness of the CBJ's employees of information security
	Enhancing information security and cybersecurity levels at CBJ and taking the necessary efficient and effective governance procedures of information security.	Committing and complying with the policies of information security and cybersecurity management and their resulted instructions.
	Responding to cybersecurity incidents and mitigating the risks and their impacts to an acceptable level.	CBJ's readiness to respond to cyber incidents.
Promoting the Initiatives of the E-Government and Digital Economy	A solid infrastructure of electronic systems to provide payment services in the Kingdom.	Licensing electronic payment companies to manage electronic payment systems.
Participating in Promoting the Capability of the Banking and Financial Sector to Confront and Respond to Cybersecurity Threats	<p>Conducting micro and macro stress testing</p> <p>Protecting the payment systems and</p>	<p>The capital adequacy ratio after implementing the stress tests of the operational risks, which include cyber breaching scenario for the banks operating in the Kingdom.</p> <p>- Issue instructions for the financial</p>

<p>companies that provide payment services from cybersecurity risks.</p>	<p>sector to stand against cybersecurity risks.</p> <ul style="list-style-type: none"> <li>- The number of supervisory tasks specialized in information security and its associated technology in the annual program.</li> <li>- The number of notices to financial institutions regarding security updates to face cybersecurity risks.</li> </ul>
<p>Promoting the cyber risk resilience of microfinance companies and credit bureaus.</p>	<p>Notify the microfinance companies and credit bureaus of cybersecurity risks.</p>

